

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 SS-15 H-01 NSC-05  
CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00 INR-10  
NSAE-00 FAA-00 L-03 XMB-02 TRSE-00 SP-02 /071 R

DRAFTED BY EB/OA/AVP:JMROBERTS:PMA  
APPROVED BY EB/OA/AVP:AJWHITE  
NEA/IAI:JMCBRIDE  
E:EJOHNSON  
H:TWESTON

-----059283 080316Z /61

P 072256Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY TEL AVIV PRIORITY  
AMEMBASSY ROME PRIORITY  
AMCONSUL JERUSALEM PRIORITY

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E.O. 11652: N/A

TAGS: EAIR, IS, IT

SUBJECT: POSSIBLE SALE OF LOCKHEED L-1011 TO EL AL

REF: ROME 12281

1. FOR POST'S INFORMATION, FOLLOWING LETTER ADDRESSED  
TO UNDER SECRETARY COOPER FROM SENATOR CRANSTON WAS  
RECEIVED IN DEPARTMENT JUNE 18:

"I HAVE RECENTLY BEEN INFORMED THAT EL AL ISRAEL AIRLINES  
IS PLANNING TO ACQUIRE NEW WIDE-BODIED AIRCRAFT TO  
REPLACE THEIR AGING 707 FLEET.

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EL AL INTENDS TO ORDER TWO AIRCRAFT IN 1979 AND ONE  
EACH IN 1980 AND 1981 WITH FOLLOW-ON ORDERS FOR THREE  
ADDITIONAL AIRCRAFT IN LATER YEARS. THE DOLLAR VALUE  
OF THIS ORDER INCLUDING SPARE PARTS AND SUPPORT EQUIPMENT  
APPROACHES ONE-QUARTER OF A BILLION DOLLARS. A DECISION  
BY THE AIRLINE IS EXPECTED TO BE MADE BY THE END OF  
THIS MONTH. THE LOCKHEED CORPORATION HAS ADVISED ME

THAT THE COMPETITION FOR THIS ORDER HAS BEEN NARROWED TO THE FRENCH-PRODUCED A-300 AND THE LOCKHEED L-1011.

THE SALE OF U.S. COMMERCIAL AIRCRAFT OVERSEAS MAKES AN E SALE OF U.S. COMMERCIAL AIRCRAFT OVERSEAS MAKES AN IMPORTANT CONTRIBUTION TO OUR BALANCE OF TRADE. LOCKHEED HAS INDICATED, HOWEVER, THAT DUE TO THE INTENSIVE MARKETING CAMPAIGN WHEREIN LONG-TERM, LOW INTEREST FINANCING IS SUBSIDIZED BY THE FRENCH AND GERMAN GOVERNMENTS, U.S. AIRFRAME MANUFACTURERS ARE INCREASINGLY UNABLE TO COMPETE. FOR EXAMPLE, IN RECENT MONTHS THE FRENCH-GERMAN AEROSPACE CONSORTIUM HAS AGGRESSIVELY MARKETING THE A-300 TO THE EXTENT THAT U.S. AIRCRAFT MANUFACTURERS HAVE LOST SEVERAL MAJOR AIRCRAFT PROCUREMENTS.

SINCE THIS PARTICULAR COMPETITION HAS BEEN REDUCED TO ONE AMERICAN MANUFACTURER COMPETING AGAINST A FOREIGN MANUFACTURER, I URGE THE STATE DEPARTMENT TO PROVIDE ALL APPROPRIATE ASSISTANCE IN PROMOTING THE SALE OF THE L-1011 TO EL AL."

2. UNDER SECRETARY COOPER'S REPLY, DATED 5 JULY, WAS AS FOLLOWS:

"THANK YOU FOR ALERTING ME TO EL AL ISRAEL AIRLINE'S LIMITED OFFICIAL USE

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IMPENDING DECISION TO SELECT SEVERAL NEW WIDE-BODY AIRCRAFT.

I AM AWARE THAT THE COMPETITION AMONG THE WORLD'S AIRCRAFT MANUFACTURERS TO PROVIDE THESE AIRCRAFT IS VERY KEEN AND AM NATURALLY HOPEFUL THAT A US MANUFACTURER IS SELECTED. I AM PLEASED TO LEARN THAT LOCKHEED IS ONE OF THE LEADING CONTENDERS. HOWEVER, BECAUSE THEY ARE NOT THE ONLY US CONTENDER (MCDONNELL-DOUGLAS AND BOEING HAVE NOT GIVEN UP), IT WOULD BE INAPPROPRIATE FOR THE DEPARTMENT TO ENDORSE LOCKHEED EXCLUSIVELY. SHORT OF SUCH AN ENDORSEMENT, WE WILL BE PLEASED TO PROVIDE LOCKHEED ALL APPROPRIATE SUPPORT IN THEIR EFFORTS TO SELL AIRCRAFT TO EL AL.

BECAUSE OF THE POTENTIAL MAGNITUDE OF EL AL'S ORDER AND OF ITS IMPACT ON YOUR CONSTITUENCY, I HAVE ASKED MR. JAMES M. ROBERTS OF OUR OFFICE OF AVIATION TO KEEP YOUR OFFICE ADVISED OF ANY IMPORTANT DEVELOPMENTS."

3. FYI: LOCKHEED DOES NOT BEGRUDGE BOEING AND MCDONNELL-DOUGLAS FOR REFUSING TO CAPITULATE. HOWEVER, THE

LATTER TWO FIRMS READILY ACKNOWLEDGE THAT AMONG US FIRMS, LOCKHEED'S L-1011 IS THE PRIME CONTENDER IN EL AL'S MEDIUM-RANGE WIDE-BODIED EVALUATION. LOCKHEED, GRATEFUL FOR PAST EMBASSY SUPPORT, WILL WELCOME ADDITIONAL EMBASSY COMMERCIAL REPRESENTATIONS URGING EL AL SELECTION OF A US-MADE WIDE-BODIED AIRCRAFT.

4. BECAUSE OF DEPARTMENT'S PROMISE TO KEEP SENATOR CRANSTON'S OFFICE INFORMED OF IMPORTANT DEVELOPMENTS, REQUEST EMBASSY TEL AVIV AND RCAA PROVIDE US ANY INFORMATION WHICH WILL BE OF INTEREST TO HIM. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, COMMERCIAL AIRCRAFT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE172199  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JMROBERTS:PMA  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Reference:** 78 ROME 12281  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** POSSIBLE SALE OF LOCKHEED L-1011 TO EL AL  
**TAGS:** EAIR, IS, IT, LOCKHEED  
**To:** TEL AVIV ROME MULTIPLE  
**Type:** TE  
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**Review Markings:**  
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